



BROTHERHOOD OF LOCOMOTIVE ENGINEERS & TRAINMEN

GENERAL COMMITTEE OF ADJUSTMENT – Canadian National/Wisconsin Central Ltd - Fox Valley & Western Ltd

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September 5, 2012

Re: WC/EJ&E Coordination – Tentative Implementing Agreement

Dear Sirs & Brothers,

Your GCA has reached a tentative New York Dock (NYD) Implementing Agreement with CN providing for the coordination of the WC and EJE properties. This Agreement is very similar to the one that was promulgated last year by Arbitrator Rinaldo in connection with the coordination of the WC, DMIR and DWP properties. While this Agreement may not appear to immediately impact many of our present members, particularly those who are far removed from the Chicago area, it is important to everybody nonetheless.

The tentative Agreement provides for the fair and equitable integration of the EJE engineers with all of you. This is accomplished in the same manner as with the Duluth coordination. Prior rights have been established for the EJE in the same manner as was done for the WC, DMIR and DWP; the EJE roster will be appended to the bottom of the existing three WC, DMIR and DWP rosters; and a new Order Selection List (OSL) has been devised to equitably place all prior right (pre-Rinaldo Award) WC, DMIR and DWP engineers on the bottom of the EJ&E roster, followed by the WC "System" engineers who have established seniority since the Rinaldo Award took effect. Engineers establishing seniority after the new Implementing Agreement takes effect will be placed on all four of the prior right rosters - the existing WC, DMIR and DWP rosters, as well as the new EJE roster. This is important for everyone because it represents a significant expansion of potential opportunities.

The tentative Agreement brings the EJE engineers under the umbrella of our collective bargaining Agreement. While they will no longer work under their former traditional mileage based Schedule, they will enjoy significant advantages under our Agreement, particularly the benefit of our employment security provisions, which are far more generous and comprehensive than the protective benefits typically prescribed by New York Dock.

I know that there are a lot of questions about the merger process. What confuses many individuals is the fact that when the Duluth coordination was negotiated by the UTU, that Organization chose to combine the negotiation of their Implementing Agreement with negotiations for their regular Collective Bargaining Agreement. It was entirely reasonable for their members, and many of our members who work with them, to come to believe that such was an appropriate and desirable combination of objectives. Since none of you had an opportunity to vote for a tentative implementing agreement because we were unable to reach one in the Duluth Coordination, which was resolved by Arbitrator Rinaldo, many of you may wonder why the tentative Implementing Agreement is so narrowly focused, and be tempted to dismiss it because it has “nothing in it for you.”

Implementing agreements are negotiated pursuant to the Interstate Commerce Act under the supervision of the Surface Transportation Board. Collective bargaining agreements are negotiated pursuant to the Railway Labor Act. These are very different legal frameworks, with very different enforcement mechanisms. Because of these differences, we have been advised by our National President not to commingle them, which is why we are negotiating these agreements separately. Consequently, the tentative Implementing Agreement is narrowly focused on the integration of the WC and EJE workforces, and does not include many of the things you would expect to see in a regular deal involving a collective bargaining agreement. This should not be viewed as diminishing how important it is to accomplish this narrowly drawn task in a way that is fair to every member involved, which the tentative Implementing Agreement accomplishes.

We are very proud that we have been able to negotiate such a fair and equitable basis for bringing our EJE brothers into our group. I welcome them in the spirit of Brotherhood, and I hope you will as well. If you have any questions or concerns, please contact your Local Chairman or myself.

Fraternally,

A handwritten signature in black ink, appearing to read "John W. Reynolds". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

John W. Reynolds
General Chairman – CN/WC, BLET

MERGER IMPLEMENTING AGREEMENT

between

**ELGIN, JOLIET AND EASTERN RAILWAY COMPANY / WISCONSIN
CENTRAL LTD**

and

their Employees represented by

BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN

WHEREAS, through a series of transactions, the Canadian National Railway Company ("CNR"), and Grand Trunk Corporation (collectively, "CN") received approval from the Surface Transportation Board ("STB"), permitting CN to acquire and exercise control over EJ&E West Company, now known as Elgin, Joliet and Eastern Railway Company ("EJE") (STB Finance Docket Nos. 35087) and the Wisconsin Central Ltd. ("WC") (STB Finance Docket 34000);

WHEREAS, on May 23, 2012, WC and EJE filed with the STB a Notice of Exemption, effective June 22, 2012, for the intra-corporate merger of EJE into WC (STB Finance Docket No. 35630) ("Merger");

WHEREAS, the parties to this Agreement recognize that the employee protective conditions set forth in *New York Dock Railway – Control – Brooklyn Eastern District*, 360 I.C.C. 60 (1979), ("New York Dock Conditions") apply to the Merger;

WHEREAS the Carriers have given proper notice under Article I, Section 4 of the New York Dock Conditions of their intent to transfer all operating craft functions and employees, including locomotive engineers employed by EJE to WC and to operate with a single, consolidated engine service workforce with Wisconsin Central Ltd. as the surviving corporation;

WHEREAS, the Carriers and the Brotherhood of Locomotive Engineers and Trainmen ("BLET") desire to reach an implementing agreement in full satisfaction of Article I, Section 4 of the New York Dock Conditions and any other applicable labor protective conditions;

NOW THEREFORE, IT IS AGREED:

ARTICLE I - SELECTION AND ASSIGNMENT OF FORCES

Section 1. Upon ten (10) days' written notice by the Carrier ("Notice"), on appropriate bulletin boards, with copies to the General Chairmen signatory hereto, the Carrier may effect the selection or rearrangement of forces described herein.

Section 2. During the ten (10) day period prior to the effective date of the Carrier's Notice under Article I, Section 1 of this Agreement, all regularly assigned EJE assignments will be abolished.

Section 3. To protect service on the former EJE, positions of engineer will be bulletined and assigned as regularly assigned WC positions to be subject to the WC BLET Collective Bargaining Agreement. The bulletins will contain language advising applicants that the abolishment will be effective on the effective date of the Carriers' Notice and that the successful applicants will be subject to the WC BLET Collective Bargaining Agreement upon commencement of operations under this Agreement.

ARTICLE II - COLLECTIVE BARGAINING AGREEMENT

Section 1. On the effective date of the Carrier's Notice under Article I, Section 1 of this Agreement, the respective EJE Collective Bargaining Agreement(s) with BLET shall cease to exist and all engineers will be governed by all terms and conditions of the Collective Bargaining Agreement in effect between WC and its Engineers represented by Brotherhood of Locomotive Engineers and Trainmen ("WC/BLET CBA"), as may be amended pursuant to the Railway Labor Act, unless otherwise specified herein.

Section 2. This Agreement is made in full and final disposition of all outstanding notices or proposals, if any, with respect to agreements and employees, served upon EJE by BLET, and also all outstanding notices or proposals, if any, with respect to agreements and employees, served upon BLET for handling pursuant to the provisions of the Railway Labor Act as amended. Section 6 notices served with respect to employees and agreements of WC, if any, shall apply to employees who transfer to WC pursuant to this Agreement.

ARTICLE III – EMPLOYMENT SECURITY

Article 6 of the WC/BLET CBA is amended as follows:

- A. Active Engineers who have established seniority as an engineer on the Wisconsin Central Ltd. prior to February 1, 2009, on the Duluth, Missabe and Iron Range Railway Company prior to July 24, 2011, on the Elgin, Joliet and Eastern Railway Company prior to September 1, 2012 or as an active engineer or active conductor on the Duluth, Winnipeg and Pacific Railway Co. prior to September 6, 2006 will be provided an assignment (which may be a Regular Assignment or a Guaranteed Extra Board assignment) established pursuant to Article

8 Section 1 of this Agreement, and not be subject to furlough, provided that they have exercised their seniority to the fullest extent and they remain available for service.

- B. In the case of Engineers who do not qualify for the Employment Security provided in Paragraph A of this Article, when no vacancies exist, the Company will endeavor to provide the individual with details of any other openings that may exist on other CN companies. These opportunities may be in other occupations and may require the Engineer to transfer at his/her own expense and commence a new employment relationship with the new Company.
- C. All employees who qualify as an Engineer subsequent to the dates specified in Paragraph A above will be afforded the Employment Security provided in Paragraph A upon their completion of sixty (60) months of cumulative compensated service as a Locomotive Engineer under this Agreement. Fifteen days of service as a locomotive engineer in a calendar month shall qualify an Engineer for one month's service as it relates to this paragraph.

ARTICLE IV- SENIORITY

Section 1. Article 7, Section 3, of the WC/BLET CBA is amended to provide for additional Home Terminals in Seniority District 1 as follows:

Home Terminal 2 – Extra Board Location and Source of Supply – Joliet

Home Terminal 3 – Extra Board Location and Source of Supply – Gary

Employees in Home Terminals 2 and 3 not otherwise covered under Article VII of this Agreement shall be required to protect system seniority within WC pursuant to the WC/BLET CBA.

Section 2. Article 7, Sections 2 and 4, of the WC/BLET CBA, as amended by the 2011 Rinaldo Award, are amended by the addition of Appendix "A" attached hereto.

ARTICLE V- EJE PENSION

Article VIII of the November 30, 2011 Opinion & Award in the arbitration proceedings under New York Dock Article 1, Section 4 in the matter between Wisconsin Central LTD, Duluth, Winnipeg and Pacific Railway Company, Duluth, Missabe and Iron Range Railway Co. and United Transportation Union and Brotherhood of Locomotive Engineers and Trainmen under the 2011 Rinaldo Award is amended as follows:

As of July 25, 2011, the Bessemer Non-Contributory Pension Plan was closed to new participants on the Duluth, Missabe and Iron Range Railway Co. Effective July 25, 2017, former DMIR employees who were participating in the Bessemer Non-Contributory Pension Plan will have their service frozen for purposes of calculating their accrued benefits. Future service will continue to be accumulated for eligibility purposes only. Future salary growth will be considered in the calculation of the pension benefit payable upon retirement or other termination of employment.

As of December 1, 2012, the Bessemer Non-Contributory Pension Plan will be closed to new participants on the Elgin, Joliet and Eastern Railway Company. Effective February 1, 2015, former EJE employees who were participating in the Bessemer Non-Contributory Pension Plan will have their service frozen for purposes of calculating their accrued benefits. Future service will continue to be accumulated for eligibility purposes only. Future salary growth will be considered in the calculation of the pension benefit payable upon retirement or other termination of employment. Former EJE employees who are active participants in the Bessemer Non-Contributory Pension Plan as of February 1, 2015 and who have not attained 30 years of continuous service will receive a lump sum payment of five thousand dollars (\$5,000).

ARTICLE VI - HEALTH AND WELFARE

Employees shall be covered only by the Benefits as provided for in the WC/BLET CBA, including cost-sharing provisions.

ARTICLE VII – PRIOR RIGHTS

Exhibit A - Prior Rights of the Rinaldo Award shall be amended to provide for this additional paragraph D:

D. EJE prior-righted Engineers with a seniority date prior to September 1, 2012 shall not be required to exercise seniority to a permanent assignment or position outside the former EJE or Schiller Park.

ARTICLE VIII - SCOPE

Article 4, paragraph F of the WC/BLET CBA is amended as follows:

Remote control operations can be performed by one or more engineers and/or one engineer and one or more conductors.

Note: The existing RCO operations at Gladstone, Escanaba and the hump at Kirk Yard will continue to be operated under the terms in effect prior to this agreement.

Article 4, paragraph G of the WC/BLET CBA is amended as follows:

There will be at least one Engineer on every assignment, except traditional Trainmen-only assignments such as, for example, Utility Positions, Switch Tenders, Flagmen, and the Hostler assignments at Joliet and Kirk yards.

ARTICLE IX – SCHILLER PARK

The below listed Engineers employed at Schiller Park, Illinois, shall not be subject to forced relocation from Schiller Park. They shall be required to protect vacancies within District 1 in accordance with established calling procedures. If any employee voluntarily leaves Schiller Park or is no longer qualified for Engine Service, their individual point protection at Schiller Park shall cease.

Foley, G.S.	Lang, D.M.	Weart, R.W.
Baker, M.D.	Arce, W.O.	Karacson, T.L.
Winston, H.J.	Amel, D.J.	Jude, O.L.
Eisengart, N.T.	Alexander, J.T.	

ARTICLE X – PROTECTION

Adversely affected employees covered by this Agreement shall be subject to the New York Dock Conditions. The New York Dock Conditions are attached hereto as Attachment “A” and considered as contained herein.

ARTICLE XI – CLAIMS RESOLUTION

In consideration of the enhanced employment security provided for in this agreement, all outstanding claims and grievances filed with Elgin, Joliet and Eastern Railway Company, other than those involving disciplinary action, based on an occurrence prior to the effective date of the Carrier’s notice under Article I, Section 1 of this Agreement, are considered resolved without prejudice to the position of either party and with the understanding that such settlements will not be cited by either party in any future case, nor used by either party to allege that the other has agreed to a particular practice.

ARTICLE XII – GENERAL PROVISIONS

Section 1. Except to implement the terms and conditions provided for herein, all other terms of the WC/BLET CBA will apply to all employees working on the territory described in Article 3 above on the effective date of this Implementing Agreement.

Section 2. Should the provisions of the WC/BLET CBA conflict with the terms and conditions contained herein this Agreement will apply.

Section 3. There shall be no duplicating or pyramiding of benefits by an employee under this Implementing Agreement and any other agreement or protective arrangement. Nothing in this Agreement or the application thereof shall serve to establish or provide additional employee protection or employment security beyond what is provided for herein. Except as expressly provided herein, nothing in this Agreement or the application thereof shall be interpreted to expand or contract the protective benefits set forth in the New York Dock Conditions and incorporated into this Agreement.

Section 4. Any dispute over the interpretation, application or enforcement of this Implementing Agreement shall be resolved exclusively in accordance with the dispute resolution procedures set forth in Article I, Section 11 of the New York Dock Conditions.

Section 5. The parties hereto agree that this Implementing Agreement provides for the selection and assignment of forces to implement the Merger described in STB Finance Docket No. 35630, and also provides the necessary and appropriate level of employee protective benefits required under the New York Dock Conditions.

Section 6. This Agreement shall become effective on December 1, 2012 (but will not be implemented prior to January 1, 2013) and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended, or until changed or amended in accordance with Article 1, Section 4 of the New York Dock Conditions or other applicable labor protective conditions.

INITIALED
Signed this 7th day of AUGUST, 2012.

FOR THE COMPANY:

T. M. Sullivan
Director Labor Relations



T. E. Rice
Director Labor Relations

D. M. Taylor
General Manager

K. E. Carroll
General Manager

Approved:

K. A. Madigan
Vice-President Human Resources

FOR THE ORGANIZATION:

B. A. Hobbs
General Chairman, BLET-EJE
*BH - Subject to ND Review and
Ratification*

J. W. Reynolds
General Chairman, BLET-WC
*JWR - Subject to Review and Approval
By BLET National President
and Ratification*

M. J. Ruef
Vice President, BLET

APPENDIX "A"

SENIORITY ROSTERS & PRIOR RIGHTS

This Appendix describes the method utilized to determine the proper order selection used to establish the proper placement of WCL, DW&P and DM&IR prior right engineers at the bottom of the EJ&E prior right seniority roster.

Order of Selection List for Common Roster

- 1.) The EJ&E seniority roster shall be placed at the bottom of each of the three (3) existing WC, DMIR and DWP prior right seniority rosters. An order selection list shall be used to place prior right WC, DMIR and DWP engineers at the bottom of the EJ&E prior right seniority roster, followed by engineers who established seniority under the WC Agreement after January 1, 2012. Engineers who establish seniority after the date this Agreement is implemented shall be placed at the bottom of the WC, DMIR, DWP and EJE seniority rosters.
- 2.) Such rosters will be used in application of prior rights and Engineers holding seniority on each of the above mentioned properties shall have the right to select prior right assignments on their prior right property based upon their prior right seniority.
- 3.) Prior right assignment(s) that are not filled by prior right Engineers on a particular prior right seniority district may be bid by Engineers from the other prior right districts in accordance with their relative seniority ranking on the "Bottom" of the prior right seniority district roster associated with the assignment(s).
- 4.) The "Bottom" portion of the EJ&E prior right roster shall be established by order of selection based on the relative percentage of prior right WC, DMIR and DWP Engineers used in Appendix "A" to the 2011 Rinaldo Award, which generated the following ratios:

WC (69%) DMIR (19%) DWP (12%)

Ratio of WC=7 to DM&IR=2 to DW&P=1 as follows:

- | | | | |
|-----------------------|---------------|---------------|---------------|
| 1. WC Engineer #1 | 11. WC # 8 | 21. WC # 15 | 31. WC # 22 |
| 2. WC # 2 | 12. WC # 9 | 22. WC # 16 | 32. WC # 23 |
| 3. WC # 3 | 13. WC # 10 | 23. WC # 17 | 33. WC # 24 |
| 4. WC # 4 | 14. WC # 11 | 24. WC # 18 | 34. WC # 25 |
| 5. WC # 5 | 15. WC # 12 | 25. WC # 19 | 35. WC # 26 |
| 6. WC # 6 | 16. WC # 13 | 26. WC # 20 | 36. WC # 27 |
| 7. WC # 7 | 17. WC # 14 | 27. WC # 21 | 37. WC # 28 |
| 8. DM&IR Engineer # 1 | 18. DM&IR # 3 | 28. DM&IR # 5 | 38. DM&IR # 7 |
| 9. DM&IR # 2 | 19. DM&IR # 4 | 29. DM&IR # 6 | 39. DM&IR # 8 |
| 10. DW&P Engineer # 1 | 20. DW&P # 2 | 30. DW&P # 3 | 40. DW&P # 4 |

Repeat pattern until all WC/DM&IR/DW&P Prior Right Engineers are reached.

NOTE – As attrition occurs, prior right Engineers will move up to the next highest prior right slot(s) until all prior right Engineers have attrited.

5) EJE prior right assignments are those assignments that operated predominantly on the former Elgin, Joliet and Eastern Railway as it existed prior to September 1, 2012, at which time it was understood that EJ&E assignments, both regular and extra, comprised 80% of the assignments protected by Gary, Joliet and Schiller Park.

6) EJE prior rights shall be administered in the same manner as all other prior rights pursuant to Article 7, Section 4 of the WC/BLET CBA, as amended by the 2011 Rinaldo Award, and are considered added thereto.